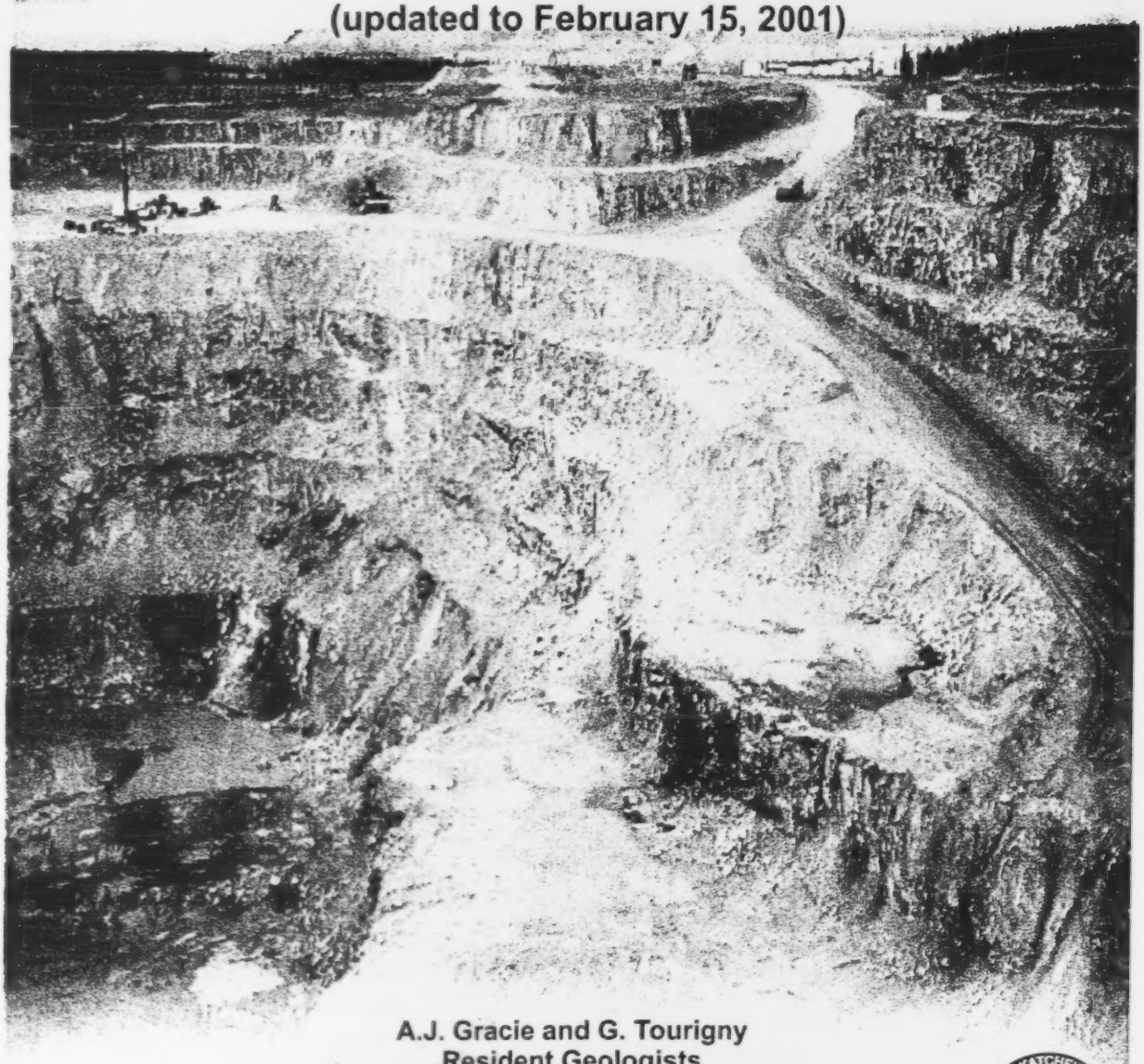
Saskatchewan Exploration and Development Highlights 2000

(updated to February 15, 2001)



A.J. Gracie and G. Tourigny
Resident Geologists
Saskatchewan Energy and Mines
P.O. Box 5000
La Ronge, SK
S0J 1L0

Saskatchewan
Energy and Mines

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Surface mineral expenditures are estimated at $32.3 million in 2000, an increase of $8.6 million over the actual 1999 figure (Table 1). Uranium exploration is forecast to increase slightly to $15.4 million, and development expenditures of $106 million are forecast for Cigar Lake, Key Lake, and McArthur River. Commercial production was achieved at the McClean Lake mill on February 1, 2000 and at McArthur River on November 1, 2000. Exploration for PGMs is expected to exceed $4 million while base metal exploration should remain stable at about $5 million principally due to drilling by Foran Mining Corporation at McIlvenna Bay. Renewed interest in diamonds should result in a significant increase in expenditures to $5 million. Gold activity is forecast to remain low.

URANIUM

In 2000, Saskatchewan continued its preeminence in uranium production accounting for 100% of Canadian and approximately 30% of world output. This year saw the official opening and the achievement of commercial production at both the McArthur River and McClean Lake mines, a new generation of uranium mines in the Athabasca Basin.

The uranium spot price ended the year at US$7.10/lb U_3O_8 down from US$9.60/lb U_3O_8 at the end of 1999. Exploration budgets in 2000 remained stable in spite of the lower price and a high-reserve situation.

Cameco Corporation is the key player in uranium mining and exploration in Saskatchewan, controlling 60% of currently identified reserves.

Table 1 - Exploration Expenditures.

	1999 (actual)	2000 (estimated)
Uranium	14.0 (224)	15.4 (106)
Gold	1.0	1.4
Base Metals	5.4	5.3
Diamonds	1.4	4.9
PGMs	0.9	4.5
Other	1.0	0.8 (4)
Total	**23.7**	**32.3**

Notes: Figures are rounded to the nearest tenth of a million dollars. Development expenditures are in brackets.

The Saskatchewan Mining Association reported that Saskatchewan's mines produced 8232 t U (21.4 million lb U_3O_8) in 1999 down 25% from 1998. Reserve and production figures for operating facilities are presented in Table 2. Currently identified reserves within the Athabasca Basin are sufficient to sustain production well into 2100.

Over a dozen companies, acting either independently or in joint venture programs, are exploring for uranium. Exploration in all parts of the Athabasca Basin is aimed at the discovery of other high-grade and large tonnage unconformity-type deposits. Although exploration is concentrated in the east and southeast, there are also important programs in the northwest and north parts of the Athabasca Basin. New discoveries continue to be made and delineated. Cameco Corporation, operator of the Dawn Lake joint venture (57.466% by Cameco Corporation, 23.086% by COGEMA Resources Inc., and 19.448% by JCU (Canada) Exploration Co., Ltd.) continued to drill this summer at La Rocque Lake, where significant uranium intersections were first reported in 1999. Elsewhere, JNR Resources Inc./Kennecott Canada Exploration Inc. cut the grade equivalent of 0.38% U (0.442% U_3O_8) over 9.2 m in the Moore Lakes area in June of this year. On the west side of the basin, COGEMA pursued its exploration program at Shea Creek, 15 km south of Cluff Lake.

Figure 1 - View to the north of Sue C pit, McClean Lake Mine.

[1] The information contained in this report is derived from press releases and quarterly and annual reports by mining and exploration companies active in Saskatchewan. In some cases this information has been supplied in discussions with company representatives. The Department of Energy and Mines and the Government of Saskatchewan do not accept liability for any errors, omissions or inaccuracies that may be included in, or derived from, this report.

Table 2 - Published reserves from Saskatchewan uranium mines.

Owner(s)*	Property/Deposit	Reserves (t U) (Unstandardized)	Grade %U	Production (t U) 1999***	2000****
	RESERVES**				
Cameco Corporation	Rabbit Lake	11 520	1.07	2693	2700
Cameco Corporation–COGEMA Res.	Key Lake	865	0.39	3731	3846†
Cameco Corporation–COGEMA Res.	McArthur River P2N	151 550	18.5	–	–
Cigar Lake Mining (Cameco Corporation–COGEMA Res.–Idemitsu–TEPCO–KEPCO)	Cigar Lake	142 320	11.5	–	–
COGEMA Res.	Cluff Lake	3 500	2.3	1230	1920
COGEMA Res.–Denison–OURD	McClean and SUE Trend	16 540	2.0	577	2308
COGEMA Res.–Denison–OURD	'Midwest'	13 850	3.8	–	–
	RESOURCES**				
Cameco Corporation–COGEMA Res.–PNC–KEPCO	Dawn Lake	8 600	1.4	–	–
Cameco Corporation–COGEMA Res.	McArthur River P2N	87 600	10.2	–	–

Notes:
* Operator first.
** "Reserves" and "Resources" are Cameco Corporation definitions. All figures in the table may not be exactly comparable. Only partial Resource figures are presented. Figures presented come from the Saskatchewan Mining Association, Cameco Corporation, Cameco Corporation's annual report, Cameco Corporation January 25, 2001 news release, and COGEMA Resources Inc.'s Transition 2000.
*** 1999 production figures from Cameco Corporation annual report in those cases where they control the deposit.
**** 2000 production is estimated.
† ore mostly from McArthur River.

Rabbit Lake

Cameco Corporation, operator (100%).

Rabbit Lake, the longest operating uranium facility in Saskatchewan, produced 2693 t U (7 million lb U_3O_8) in 1999 or 385 t U (1 million lb U_3O_8) more than half of the plant's nominal capacity. Past production had increased from 2885 t U (7.5 million lb U_3O_8) in 1994 to 4616 t U (12.0 million lb U_3O_8) in 1997 then declined slightly to 4500 t U (11.7 million lb U_3O_8) in 1998.

Last year, the owners of the Cigar Lake project agreed in principle, subject to regulatory approval, to process 57% of the Phase 1 Cigar Lake ore at the Rabbit Lake mill. On March 31, 1999, because of depressed uranium prices and to bridge the transition to the production of Cigar Lake ore, mining at Eagle Point was suspended. In August 2000, Cameco announced an extension of the temporary shutdown of mining activities, resulting in an approximate one-year shutdown of the Rabbit Lake mill, beginning in the first quarter of 2001 when stockpiled ore is depleted.

Cameco has re-evaluated the mining plan at the Eagle Point mine to achieve further efficiencies by introducing some changes to the mining method. Next year Cameco will seek regulatory approval to reopen the Rabbit Lake operation based on the revised mining plan for the remaining 7693 t U (20 million lb U_3O_8) of reserves at Eagle Point. Approval of this plan should lead to restarting the Rabbit Lake mill in the first quarter of 2002, shortly after mining activities resume.

Cluff Lake

COGEMA Resources Inc., operator (100%).

At Cluff Lake, higher grade ore has resulted in the tailings management area being filled at a lower rate than anticipated. This, plus a program to lower operational costs, means that operations will extend into 2001.

Underground mining continues at West Dominique–Janine (WDJ) from a system of high-grade, mostly continuous ore lenses. Three levels were active in September with the lowest stope 270 m below surface.

Stopes average 3 m wide, 4 m high, and up to 140 m long. The depth extension of the WDJ ore was drill tested from the 270 m level in May and June.

Underground mining at the Dominique-Peter (DP) and the Dominique-Janine (DJ) orebodies has ceased.

The mill ran continuously until April when it changed to operating on an alternate week basis. Despite this, the mill set a new monthly record of >192 t U (500,000 lb U_3O_8) in April. The mill was shut down from June 26 to July 17, again running on an alternate week basis when restarted. Feed is stockpiled low-grade DJ extension pit ore blended with the higher grade ore from the WDJ. Since the project began in 1980 to August 1999 the mill produced 19 232 t U (50 million lbs U_3O_8).

A number of clean up and reclamation activities have been mostly completed. This work included the ore bins, the DP waste pile area, the gold plant, the Claude pit buildings, the mine water holding pond, the remaining reusable DP mine equipment, and the fresh water diversion ditches around the tailings management facility (TMF).

The decision to restart the mill at a later time or completely decommission the site will depend on a number of factors such as uranium prices and exploration success.

Key Lake

Cameco Corporation, operator (69.805%); COGEMA Resources Inc. (30.195%).

In 1999, Key Lake retained its position as the world's largest uranium operation with the production of 3731 t U (9.7 million lb U_3O_8) from stockpiled ore. The first delivery of trucked slurried ore from McArthur River, 80 km to the northeast, was processed in early January 2000. Steady improvements to the Key Lake unloading facilities include installation of a tank washing facility to remove the heavier ore by flushing out the inside of the tanks. The Deilmann pit TMF will hold the remaining Key Lake tailings and the tailings from the McArthur River ore milled at Key Lake.

The mill is operating using Key Lake special waste and McArthur River ore to produce a blend grading 3.4% U (4% U_3O_8). Production in 2000 is expected to be 3846 t U (10 million lb U_3O_8) with the ramp up to full production of 6924 t U (18 million lb U_3O_8) annually taking a further two years to achieve.

Cigar Lake

Cigar Lake Mining Corporation: Cameco Resources Ltd. (50.025%); COGEMA Resources Inc. (37.100%); Idemitsu Uranium Exploration Canada (7.875%); and TEPCO Resources Inc. (5.0%).

With reserves of 142 320 t U (370 million lb U_3O_8) at an average head grade of 11.5% (13.6% U_3O_8), Cigar Lake is the world's second largest, high-grade uranium deposit. It is anticipated that production will begin in 2003 assuming a positive production decision is made, regulatory approvals are obtained, construction completed, and operating licenses received.

The owners propose to develop the Cigar Lake deposit at a capital cost of $400 million. Since the initial test-mining phase was completed in 1993, the project was operated on a care and maintenance basis until 1997 when a second phase of test mining commenced. After approval to construct is received from the regulatory agencies, Cameco will become the operator. The owners have agreed in principle to process 57% of the Phase 1 Cigar Lake ore 110 km away at the Cameco Corporation-operated Rabbit Lake mill, and the rest 94 km away at the McClean Lake mill, operated by COGEMA Resources Inc. A base amount of 1923 t U (5 million lb U_3O_8) of Cigar Lake ore will be milled at McClean Lake each year. A restructured and smaller Cigar Lake Mining Corporation (CLMC) will provide administrative services and monitor the activities of the mine and mill operators.

Mining will be undertaken in two phases: Phase 1, lasting 11 years, will deal with the rich eastern part of the ore body; Phase 2 will remove the remainder. After a phased-in start-up period of two to three years, the mine will produce up to 6900 t U (18 million lb U_3O_8) annually. During Phase 2, annual production from the lower grade ore will drop to 2300 t U (6 million lb U_3O_8), but will last a further 28 years.

Access to the underground workings is by No. 1 shaft. A second shaft will provide an alternative access and will be the exhaust outlet for the primary ventilation system. A third shaft is planned for Phase 2. Drifts will be developed on two levels in basement rock beneath the orebody. The ore will be mined in panels from the upper production level using a jet boring, non-entry method within a frozen orebody. The ore, in the form of slurry, will be pumped to surface through specialized cased boreholes.

CLMC and COGEMA propose to dispose of Cigar Lake's potentially acid-generating waste rock into the SUE C pit at McClean Lake once that is mined out.

The corporation plans to finalize its mine construction application for submission to the regulatory authorities by late 2000 or early 2001 and complete the EIA covering the milling of Cigar Lake ore at the Rabbit Lake and McClean Lake mills. Although environmental approvals have been received, no development decision has been made.

In 2000, studies were designed to test mining technology and re-evaluate capital costs. The corporation's new Jet Boring System (JBS) from Voest Alpine, Austria was tested first in geotechnically simulated waste rock and is currently being evaluated in up to eight frozen ground cavities in ore. Other aspects of the feasibility study include freeze hole

pattern tests, tests on the construction of concrete segments, and revision to the mine layout.

Midwest Property

COGEMA Resources Inc., operator (70.5%); Denison Mines Ltd. (25%); and OURD (Canada) Co. Ltd. (4.5%).

Although the Midwest mining project, as described in the 1991 Environmental Impact Study (EIS), failed to receive approval, COGEMA Resources Inc., as the new majority and joint venture operator successfully identified ways to overcome safety and environmental concerns identified during the first review process. Consequently, the federal-provincial panel recommended approval of this project too. The deposit is concentrated in a 200 m long zone below south McMahon Lake, about 15 km west of McClean Lake. Ore will be mined by a jet-boring method, previously tested at Cigar Lake and milled off-site at McClean Lake. The new approach addresses the radioactivity and water inflow concerns. Non-entry mining improves radiation protection, because the high-grade ore is contained in pipes and tanks. Also, water inflow will be reduced dramatically by ground freezing. Mink Arm of McMahon Lake will not be drained, thus environmental impacts will be significantly reduced. The Midwest mine will produce 2200 t U (5.7 million lb U_3O_8) per year for six years. Following the governmental approvals in 1998 and the start up of the McClean Lake mill in June 1999, a detailed review of the Midwest project is underway to optimize production.

McClean Lake

COGEMA Resources Inc., operator (70%); Denison Mines Ltd. (22.5%); and OURD (Canada) Co. Ltd. (7.5%).

The company started feeding stockpiled uranium ore into McClean Lake's grinding circuit on June 22, 1999 with the approval of the Canadian Nuclear Safety Commission. The first barrels of yellowcake concentrate were produced on July 8, 1999. By the end of 1999, the mill had produced 577 t U (1.5 million lb U_3O_8). Commercial production was achieved February 1, 2000. Staff are working to optimize plant activities, minimize costs, and increase efficiency. Mining operations will shut down on December 8 and recommence January 5, 2001. Milling operations will shut down commencing November 7 or when the annual production target of 2308 t U (6 million lb U_3O_8) was reached from a mixture of JEB and SUE C ore. Milling operations will restart as of January 2, 2001.

With government approval and a positive company production decision to mine at the Cigar Lake and Midwest Lake projects, a second phase of construction is planned to double the mill's capacity from 2308 t U (6 million lb U_3O_8) to 4616 t U (12 million lb U_3O_8).

The SUE C1 pit is mined out at a depth of 100 m. The SUE C1 ore, stockpiled to the north of the pit, will feed the mill for one to one and a half years. The SUE C2 extension pit, at 30 m depth in September, was extracting tectonized sandstone above the unconformity. The SUE C and SUE A deposits will be mined from one pit. The SUE B deposit will be mined as a separate pit. The SUE deposits will be mined out by 2003. Subsequently, ore will be derived from the Midwest deposit.

McArthur River – P2 North

Cameco Corporation, operator (69.805%) and COGEMA Resources (30.195%).

McArthur River is the largest high-grade uranium deposit in the world. A new reserve forecast, released in January 2001, places total reserves at 151 550 t U (394.5 million lb U_3O_8) at an average grade of 18.5% U (21.18% U_3O_8). Resources are 55 927 t U (145.4 million lb U_3O_8) grading 10.2% U (10.74% U_3O_8). Underground development is on the 530 m, 560 m, and 640 m levels. Zone 2 pelite ore will be mined first behind a "freeze wall" which prevents water from penetrating into the mining area and allows the ore to be mined safely. The primary, non-entry mining method being used is raisebore mining. Remote controlled equipment is used to minimize workers' exposure to radiation. Ore is contained in a grinding system on the 640 m level, pumped to surface as a mud-like slurry, then stored in tanks until loaded into specially designed containers for the 80 km truck haul to Key Lake. Capital expenditures to bring the project to production are about CDN$420 million.

Reaming of the first ore using the raisebore mining method and the starting of underground processing began on December 6, 1999. The first delivery of slurried ore by truck to the Key Lake mill was made in January 2000 and commercial production at McArthur River was achieved on November 1, 2000. In the third quarter of 2000, production was 1039 t U (2.7 million lb U_3O_8), bringing the total for the year-to-date to 2423 t U (6.3 million lb U_3O_8). Production for the entire year is forecast at 3846 t U (10 million lb U_3O_8).

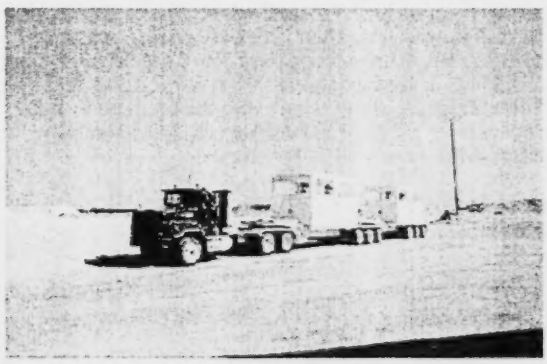

Figure 2 - Containers used to transport slurry from the McArthur River mine to the Key Lake mill.

Over the next two years, up to two additional zones will be brought to production bringing the mine's capacity to 6924 t U (18 million lbs U_3O_8) per year. At that rate, McArthur River's present reserves will last between 20 and 25 years.

GOLD

Claude Resources Inc.'s Seabee mine produced 54,100 oz Au in 1999 and 41,750 oz in the first nine months of 2000. Since production began in December 1991 to the end of the first nine months of 2000, more than 490,000 oz Au have been produced.

The principal 2000 gold exploration program was that of Claude Resources Inc. on its Currie Rose property. Presently, most of the ore at Seabee is being mined from the surrounding Currie Rose property. Other targets tested by this drilling were in the Porky and Pine lakes area. Greater Lenora Resources Corp. worked towards obtaining project financing and finalizing the EIS for the Goldfields Project at Uranium City. The Knudsen family continued to drill on their English Bay property near La Ronge. Although there are clearly gold exploration opportunities in the province, less than five companies are active compared to over 60 in 1988. Table 3 summarizes past and present production and reserve figures.

Glennie Domain

Seabee Mine

Claude Resources Inc., operator (100%).

The mine produced 54,100 oz Au in 1999 and processed 177 900 t of ore averaging 8.27 g/t (0.241 oz/ton) Au to produce 41,750 oz Au in the first six months of 2000. A total of 184 531 t of ore were milled in the same period in 1999 at an average grade of 7.35 g/t (0.22 oz/ton) Au to produce 41,840 oz Au. The 2C 1904 crown pillar, mined in 2000, produced an ore grade slightly higher than the mine's overall grade. The mine's 2000 production target is 60,000 oz Au at a total cash operating cost of under US$200/oz and total production costs of approximately US$240/oz. Most of the mine's ore production is now from the shear controlled, massive sulphide 2D zone ore on the Currie Rose property.

A hoisting facility and shaft, which reaches the 395 m level, facilitates ore and waste transport to surface. The ore is processed in a three-stage crushing circuit and a two-stage grinding circuit, which is then followed by cyanide leaching. Since production began at the end of 1999 more than 1.6 million tonnes have been processed at a recovery rate of 93%.

Mining during 1999 focussed on the 2C zone at depth between the 290 and 400 levels as well as the 2A zone between the 20 and 75 levels. Mining on the Currie Rose property, west of the Seabee boundary, came from the 2C zone between the 140 and 290 levels. The Currie Rose property is 100% owned by Claude subject to a 30% net profit interest payable to Currie Rose Inc., after pay out of development and exploration expenditures incurred by Claude to place the property into production.

Development work in the first six months of 2000 focussed on the 2C and 2D structures between the 80 and 290 levels. Because both structures have shown excellent potential along strike and depth, they will continue to provide ore for the mill throughout the remainder of 2000.

First quarter exploration development continued on the 2D zone to the west and at depth with significant results. Sill drifts were completed on the 80 m and 190 m levels. Development muck from these headings returned grades consistently above the mine's reserve estimate. Early indications from sill development and diamond drilling on the 290 m level were that this structure continues to depth with a modest to marked improvement in both width and grade.

The annual ACA Howe International Ltd. report prepared in March 2000, established total Seabee and Currie Rose reserves at 853 000 t at an average grade of 8.56 g/t (0.25 g/t) Au with 507 206 t grading 8.89 g/t (0.26 oz/ton) Au in the proven and probable categories. Seabee will continue to operate under a three year mine plan which will focus on the 2C and 2D zones at depth and laterally to the west of the Seabee boundary.

During the first quarter of 2000, thirty-seven diamond drill holes totaling 5397 m were completed on the Currie Rose claims. Although this drill program targeted a number of structures within the Laonil Lake shear corridor to the west and north of the Seabee mine, most of the drilling was directed at discovering new ore west of the current mine workings. The program was successful in confirming shear zones, and returned weak to modest gold values from quartz veins associated with these structures. Other targets tested by this drilling included shear-hosted quartz veins in the Porky and Pine lakes area as well as a new vein just north of the mine. An intersection of this vein assayed 6.25 g/t (0.18 oz/ton) Au over 1.41 m true width. Follow-up drilling is required on all the veins identified in this program. After breakup, exploration emphasis shifted from diamond drilling to prospecting and geological mapping. Showings in the Pine Lake and Munro Lakes areas have returned several encouraging assays. Follow up work in these areas and on claims east and north of the Seabee mine continued through to freezeup.

Table 3- Published reserves from selected Saskatchewan gold properties.

Owner(s)*	Property	Reserves (t) or Production (oz or t)	Grade g/t	Grade oz/short ton
	MINED OR MINED TO DATE			
Cameco Corporation	Contact Lake Mine**	188,210 oz		
	Bakos Zone	1 304 000	8.0	0.23
Cameco Corporation–Starrex–Uranerz Expl. Mining	Star Lake Mine	76,947 oz		
	21+Rush zones**	182 291	14.7	0.43
Cameco Corporation–Shore Gold	Jasper Mine**	82,697 oz		
		140 127	18.8	0.55
Claude Resources Inc.	Seabee	>490,000 oz***		
Corona Corp.–Int. Mahogany Corp.	Jolu Mine	230,751 oz††		
	Rod+Mallard**	472 220	14.4	0.42
Golden Rule Res.	Komis	26,885 oz		
Greater Lenora Res. Corp.	Box	64,066 oz		
Pamon Gold Mines–O.G. Macdonald	Prince Albert	4,882 oz		
	RESERVES			
Claude Resources Inc.	Seabee Mine	853 000†	8.56	0.25
Greater Lenora Res. Corp.	Box and Athona	12 070 000	1.9	0.055
Kristo Gold	Anglo-Rouyn Mine	1 180 000‡	0.55	0.016
Waddy Lake Resources	Komis+EP	687 300‡‡	10.3	0.3
	RESOURCES			
Cameco Corporation–Golden Rule	Corner Lake	181 500	13.0	0.38
Cameco Corporation–Uranerz Expl. Mining	Contact Lake Bakos zone	92 000	7.5	0.22
Cameco Corporation	Pap SW	233 000	8.0	0.23
Claude Resources Inc.	Seabee	1 474 000†	8.0	0.23
Claude Resources Inc.–Cameco Corporation–Husky Oil	Laural Lake	210 000	15	0.44
Golden Rule Res.	Niko	164 700	4.8	0.14
Golden Rule Res.–Comaplex Res.	Tower East	922 000	6.9	0.2
Radcliffe Res. Inc.	"North" Lake	2 360 000	2.4	0.07
Petro Plus Inc.	Twin	351 000	6.2	0.18
Tyler Res.–Golden Rule Res.–	Weedy B	314 000	4.8	0.14
Cameco Corporation	Golden Heart	687 000	10.3	0.3
Waddy Lake Res.	Komis+EP	573 300‡‡	13.4	0.39

Notes:
* Operator first.
** Mined out. Reserves at start-up listed plus actual production oz Au.
*** As of June 30, 2000.
† March 2000.
†† Additional 1,500 oz estimated recovered during clean-up. Possibly additional ounces were also recovered in the test run.
‡ Anglo-Rouyn mine tailings also contain 1.97 g/t (0.058 oz/ton) Ag, 0.15% Cu, and 4.5% magnetite.
‡‡ 1995 Annual Report. Komis mine reserves before production started.

Flin Flon Domain

By the end of 1999, Claude Resources Inc. had earned a 35% working interest in the 18 900 ha Amisk joint venture property (Cameco and Husky). The company can earn a further 35% by spending $14 million or bringing the property into commercial production on or before the agreement's tenth anniversary in 2005. At Laural Lake, a critical underground program, that includes remapping of existing workings, focussed drilling and limited development of raises, was deferred pending improved metal prices. Work on the property in 1999 consisted of mapping and prospecting over a number of historic showings. Encouraging assays were returned from the Duplex area northwest of Amisk Lake.

Beaverlodge Area – Nevins Lake Block

Goldfields Project

Greater Lenora Resources Corporation, operator (100%).

In mid-1999, Greater Lenora Resources Corporation decided to postpone the Goldfields Project for one year due to permitting schedules and low gold prices. The project's focus is to develop an open pit mine on part of the Box deposit. A revised EIS to cover this smaller project was submitted to the regulatory authorities towards the end of 1999. On July 10, 2000, the company reported that an agreement had been reached with Can Am Construction of La Ronge, Saskatchewan for contracting services to construct and operate the Box mine. Can Am is willing to participate in financing the project. Thon and Associates re-examined the reserves and resources of the Box deposit for Can Am as part of its due diligence. Using raw drill hole, other data, and firm costs quoted by Can Am, a pit containing 4.6 million t grading 2.74 g/t (0.08 oz/ton) Au, with a 45° slope and a 1:3.36 waste to ore ratio, is considered economically feasible. This pit is larger than that planned in the EIS. Currently, work is underway on revising a draft EIS to final format and completing documentation for project financing.

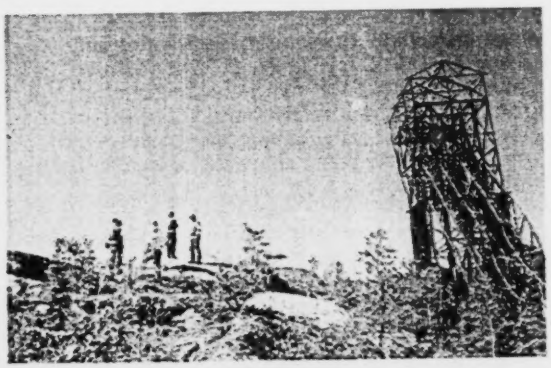

Figure 3 - Skeleton of the headframe to the Box mine, Uranium City area. Site of a proposed open pit mine by Goldfields Operating Company Inc.

BASE METALS

Base metal production in Saskatchewan in 2000 came from the Saskatchewan part of the Callinan deposit and from the Konuto Lake Mine. Exploration programs for volcanogenic massive sulphide (VMS) deposits continued in both exposed and sub-Phanerozoic parts of the Flin Flon Domain as well as the Scimitar Lake area of the Glennie Domain (Table 4).

Flin Flon Domain

Callinan Mine

Hudson Bay Mining and Smelting Co. Limited (100% subject to 6.67% NPI with Callinan Mines Ltd.).

The Callinan mine is a VMS deposit that consists of three east-plunging zones (South, East, and North) within a sequence of rhyolitic rocks that are likely equivalent to the host "mine rhyolite" of the Flin Flon mine. Only the upper part of the Callinan North deposit extends into Saskatchewan. Since start-up in April 1990 until the end of 1999, the Callinan mine produced 4 510 388 t of ore grading 1.38% Cu, 3.64% Zn, 2.08 g/t Au, and 23.56 g/t Ag. Of this amount, 90 884.1 t grading 1.55% Cu, 4.00% Zn, 1.65 g/t Au, and 20.06 g/t Ag came from the Saskatchewan part of the deposit. Saskatchewan production in the first nine months of 2000 was 33 637.5 t of ore grading 1.441% Cu, 2.656% Zn, 1.68 g/t Au, and 15.36 g/t Ag from the North Zone lens. Production for the remainder of the year from Saskatchewan is estimated at approximately 31 751.47 t of ore grading 1.345% Cu, 2.941% Zn, 1.68 g/t Au, and 16.87 g/t Ag. As of January 1, 2000, mineable resources in the Saskatchewan part of the North Zone were 823 227 t grading 1.27% Cu, 3.16% Zn, 1.53 g/t Au, and 16.14 g/t Ag. From January 1 to September 30, 2000, 3047.7 m of definition drilling and 2119.8 m of exploration drill holes were completed in the North Zone lens.

Konuto Lake Mine

Hudson Bay Mining and Smelting Co., Limited, operator (100%).

The Konuto Lake Mine is a VMS-type deposit hosted in a Paleoproterozoic juvenile arc volcanic belt. The geological model is a mafic-hosted, back arc rift-type Cu-Zn deposit. The north-northeast-striking, near vertical dipping, and steeply south-plunging deposit has a strike length of approximately 180 m. The Cu-Zn-Au-Ag mineralization occurs in four sulphide lenses including three massive sulphide lenses (Lens 1, 3, and 4) and one remobilized stringer lens (Lens 2).

Table 4 - Published reserves from Saskatchewan base metal properties.

Owner(s)* Venture Operator	Property	Reserves and Resources (Metric Tonnes)	Grade % Cu	Zn	Pb	Ni	Co	g/t Au	Ag
	MINEABLE RESERVES								
Foran Mining	McIlvenna Bay	14 500 000	0.91	6.08	0.40	–	–	0.45	23.70
Hudson Bay Mining	Callinan Sask Portion	823 227	1.27	3.16	–	–	–	1.53	16.14
Hudson Bay Mining	Konuto Lake	1 273 248	3.84	1.22	–	–	–	1.887	8.198
	GEOLOGICAL RESOURCES								
Leader Mining International Inc.	Knife (Mokoman) Lake	20 000 000	0.74	–	–	–	–	–	–
Claude Resources	Elizabeth Lake	4 985 938	0.73	–	–	–	–	–	–
Boart–Longyear	Brabant/PEG	4 857 851	0.57	5.19	0.28	–	–	0.22	22.59
Hudson Bay Expl.	FON Zone	4 650 307	–	4.60	–	–	–	–	–
Con. Pine Channel	Axis Lake	3 402 000	0.60	–	–	0.60	0.15	–	–
Petro Plus Inc.	George Lake	2 630 880	–	3.67	0.53	–	–	–	–
Aur Resources	Schotts Lake	1 983 850	0.61	1.35	–	–	–	–	–
Aur–Cameco Corp.	Bigstone Lake	1 451 000	2.90	–	–	–	–	–	–
		308 000	–	11.20	–	–	–	–	–
Shane Resources	Brownell Lake	1 251 900	0.56	1.75	–	–	–	–	–
Cons. Pine Channel	Currie Lake	47 536	–	–	–	0.79	–	–	–

Notes:
* Operator first.

The ore zones extend from the 18 mining level to a depth of approximately 440 m.

As of January 1, 2000, the deposit's mineable reserves and resources were listed at 1 273 248 t of ore grading 3.84% Cu, 1.22% Zn, 1.887 g/t Au, and 8.198 g/t Ag. From January 1 to September 1, 2000, the mine produced 196 892 t of ore grading 4.35% Cu, 1.31% Zn, 2.18 g/t Au, and 8.96 g/t Ag. Production for the remainder of this year is estimated at about 127 000 t of ore.

McIlvenna Bay Deposit

Foran Mining Corporation's McIlvenna Bay deposit is a VMS-type deposit hosted by altered felsic metavolcanics in a Paleoproterozoic supracrustal sequence beneath Phanerozoic cover rocks. The deposit consists of one main lens (Lens 2) and four smaller lenses (Lens 3, Lens 4, Upper West Zone, and Copper Stringer Zone). These are stratabound, strike approximately 300°, dip 60° to 75° to the northeast, and plunge approximately 45° to the northwest.

Foran continued to explore and evaluate the McIlvenna Bay deposit with additional drilling during the winter and spring of 2000. Subsequently, on July 5, Foran released a new audited resource estimate. Total combined indicated and inferred resources for the Lens 2 massive sulphide, the Upper West zone, and the Lens 3 massive sulphide were estimated to be 14.5 million t grading 0.91% Cu, 6.08% Zn, 0.40% Pb, 0.45 g/t Au, and 23.70 g/t Ag. Total combined indicated and inferred resources for the Copper Stringer Zone and Lens 4 were estimated at 12.1 million t grading 1.81% Cu, 0.54% Zn, 0.63 g/t Au, and 12.47 g/t Ag.

Exploration

The Flin Flon Greenstone Belt saw limited base metal exploration in 2000. Hudson Bay Exploration and Development (HBED) completed a 2237 m drill program on the ML 5518, to test the Cu-Zn felsic horizon for Cu-Zn mineralization. HBED also conducted airborne and ground geophysical surveys and minor drill testing of geophysical anomalies in the Amisk Lake area.

Aur Resources Inc. completed an exploration program in the Wolverine Lake area where mafic metavolcanics offer good potential for VMS-type and gold deposits. This program included detailed mapping of the most prospective area (≈3 km^2) and systematic rock sampling for lithogeochemical analysis. In addition, five drill holes totaling 1398.76 m were completed to test known lenses of sulphide mineralization. One previous hole returned values of 5.5% Cu over 2.3 m width.

Aur Resources also continued to explore for base metals under the Phanerozoic cover rocks. Nine holes totaling 2953.4 m were completed to test IP and EM anomalies on the Bigstone property. The company plans to continue exploration on this property in 2001.

Also south of the exposed shield rocks, HBED conducted ground and airborne geophysical surveys and drilled EM and Mag conductors in the Suggi-Windy lakes and Namew Lake areas.

Glennie Domain (including the Scimitar Complex)

Knife Lake Deposit

Leader Mining International Inc. and Kores Canada Corp. continued work on the 76 000 ha Knife Lake project in the Scimitar Lake area. This property includes the Knife Lake Cu deposit, interpreted to be a remobilized volcanogenic deposit hosted in upper amphibolite facies volcanic rocks. Mineralization, comprising disseminated to semi-massive pyrrhotite, pyrite, chalcopyrite, and minor sphalerite, is associated with injected metamorphic melts aligned parallel to the gently, east-dipping gneissic foliation and lithological contacts. The deposit is shallow (less than 100 m) and has a strike length of over 4000 m. Drilling has indicated a geological resource of 20 million tonnes, grading 0.74% equivalent Cu.

The 2000 exploration project on the Knife Lake Project entailed two phases. In early 2000, line cutting and high-power time domain electromagnetic surveys were completed over targets that included the Knife Lake Cu deposit, as well as those at Scimitar and Pistol lakes. The geophysical surveys were followed by a summer program of prospecting, geological mapping, and geochemical sampling. Compilation of data is in progress; preliminary reports indicate that new exploration targets have been identified. A drill program is planned for the winter of 2001.

COPPER NICKEL SULPHIDES AND PGMs

Exploration expenditures for these metals are expected to increase significantly this year. Uravan Minerals Inc. drilled 14 holes totaling 2845 m to test five areas in their Rottenstone mine play. Golconda Resources Ltd. holds 56 000 ha in the Peter Lake Domain and another 29 250 ha on the sub-Phanerozoic "Wapawekka Complex" in the Glennie Domain. Consolidated Pine Channel Gold Corp. and United Carina Resources Corp. hold 10 700 ha in the Tantato Domain.

Figure 4 - Rottenstone mine area, body of water in the foreground fills the open pit.

Rottenstone Domain

Uravan Minerals Inc. continued to explore for Pt-Pd-Ni-Cu in the Rottenstone Domain adjacent to and along strike from, the old Rottenstone Mine, which closed in 1969. The Rottenstone deposit consists of dense net-textured, disseminated, and rare massive PGM-Ni-Cu mineralization within a harzburgite-orthopyroxenite sill cutting a migmatized pelite horizon. The mine produced 26 057.8 t of ore which averaged 3.28% Ni, 1.83% Cu, and 9.63 g/t PGM and Au. The PGM grades are exceptionally high. Four channel samples, taken from mine tailings, contained an average of 2.54 g/t PGM and Au.

Since 1998, Uravan has accumulated a significant technical database on the Rottenstone property resulting in a total expenditure of about $1.3 million. Most of this work was focussed on the Rottenstone mine area resulting in a better understanding of how this deposit could have originated from a postulated, much larger source nearby. Compilation and integration of the accumulated databases (geophysical, geochemical, structural, Landsat, and drill data) suggests the key to finding extensions to the Rottenstone deposit lies in deciphering the structural setting of the area. The tree top biogeochemical survey conducted over the northern third of the property provides an invaluable multi-element database. Superimposition of the geochemical data on the structural map shows that three northwest-trending (325°) multi-element, stacked anomalies coincide with northwest- and north-northwest-interpreted faults.

Drill programs carried out by Uravan have been reconnaissance in nature, amounting to 4118 m in 23 holes, with 2845 m in 14 holes of this total drilled in 2000. Five additional ultramafic sills outside the Rottenstone sill were intersected. Geochemically, these intersections were highly anomalous in the pathfinder elements Cr (>500 to 1466 ppm) and Ni (>200 to 489 ppm).

Uravan is currently seeking a joint venture partner to provide ongoing exploration financing.

Glennie, Peter Lake, and Tantato Domains

Several large circular aeromagnetic anomalies characterize a 20 km by 50 km sub-Phanerozoic area of the Glennie Domain south of Wapawekka Lake referred to by Golconda Resources Ltd. as the "Wapawekka Complex". Company geophysical interpretations concluded these anomalies might represent layered mafic and/or zoned ultramafic Precambrian intrusives potentially the host of PGM, Ni-Cu-Co, and Cr deposits. The company drilled one 521 m hole which cut 165 m of Phanerozoic sandstone and 356 m of gabbro layered by crystal size.

On the basis of a comparison to the Bushveld and Stillwater complexes, Golconda Resources Ltd. staked 56 000 ha in the lower gabbroic sequence of the Peter Lake Domain. Previous exploration demonstrated that these rocks contain Pt, Pd, Cu, and Ni occurrences over a regional strike length, with values of >4 g/t (0.115 oz/ton) Pd+Pt recorded. Golconda carried out an initial reconnaissance program, along the highway crossing the western part of the claims, during which 250 surface samples were taken and analyzed. Data from these samples and follow up grab samples from trenches established by SMDC in 1982 to the east of Johnson River, have confirmed an approximately 200 m thick zone containing layers with concentrations of PGM, copper, and nickel. The best values were from two samples of sulphide-bearing gabbro taken about 30 m to the north of SMDC Trench No. 1. These were reported to average 0.93% Cu, 0.048% Ni, and 0.97 g PGM plus Au. A helicopter-supported, four hole drilling program was completed in October and a further follow-up drill program is planned for February 2001.

Working with Dene Exploration and Mining, Consolidated Pine Channel Gold Corp. and United Carina Resources Corp. will prospect on ground in the Tantato Domain. The domain hosts the Axis, Currie, and Rea Ni-Cu showings.

RARE EARTH ELEMENTS

In 1999, Great Western Gold Corp. optioned the Hoidas Lake rare earth element (REE) property from Daren Resources Ltd. Hoidas Lake is located approximately 56 km northeast of Uranium City. Great Western Gold may earn a 70% working interest in the property by carrying out exploration work. This can become a 100% working interest if Daren decides to convert its 30% interest to a royalty interest.

The property, originally discovered in the 1950s during exploration for uranium, covers 15 known occurrences over a 9.6 km strike length. The showings had never been investigated for their rare earth element potential until recently and only one showing, the Main Zone, has seen any serious exploration to date.

In September 1999, a program of trenching and sampling was carried out on the Main Zone. Eleven trenches were completed along a 400 m strike length, with nine exposing fresh rock. Chip samples were taken at approximately one metre intervals across the entire width of each trench. Every sample taken returned significant assay values for REEs with higher grade values from a sheared diopside-rich skarn associated with pegmatites and mylonites. Table 5 shows the three zones of mineralization (West, Main, and Mylonite) which were distinguished within a 50 to 60 m wide corridor. The best assay value was 20.3% Total Rare Earth Oxides (TREO) for a sample from a two metre interval that averaged 18.4% TREO. This interval consisted of massive allanite, the mineral containing the REEs. Company management believes that this massive ore is structurally controlled and is repeated along strike and at depth.

The next stage of exploration, planned to begin in October, will extend the baseline over other known showings and include ground geophysics. This will be followed by a short hole diamond drill program planned for after freeze-up. This program will begin to delineate the extent and grade of the mineralized zones. Two deeper holes may also be drilled. Prospecting and surface sampling of the other 14 showings will be carried out as field conditions permit.

In January 2001, Leader Mining International Inc. staked approximately 61 000 ha of exploration claims and a permit about 50 km north of Stony Rapids in north-central Saskatchewan. This ground position encompasses three co-incident tantalum-cesium-rubidium-tungsten lake sediment anomalies identified in previous Geological Survey of Canada lake sediment geochemical surveys.

Table 5 - Results of the 1999 trench chip sampling program of Great Western Gold Corp. at Hoidas Lake.

	% Rare Earth Element		
Oxide	West Zone	Main Zone	Mylonite Zone
Cerium	0.982	2.439	1.070
Dysprosium	0.004	0.010	0.002
Erbium	0.003	0.009	0.002
Europium	0.007	0.019	0.006
Gadolinium	0.013	0.035	0.010
Holmium	0.000	0.001	0.000
Lanthanum	0.445	1.150	0.529
Neodymium	0.382	0.922	0.372
Praseodymium	0.101	0.230	0.095
Samarium	0.038	0.092	0.031
Terbium	0.002	0.005	0.000
Totals	**1.976**	**4.911**	**2.118**
Width (m)	3.90	3.23	2.60

DIAMONDS

On October 1, 2000, the amount of land under disposition for diamonds was approximately 290 260 ha, down 8% from the same date in 1999. This figure is low compared to the 4 million ha under disposition at the height of the diamond boom. More importantly, however, when compared to 1999 diamond exploration, expenditures have increased significantly. All of this year's $5 million diamond exploration budget estimate will be spent in an area running across the province between latitudes 53°00' and 54°30' which includes the Fort-à-la-Corne (FALC) and Candle and Sturgeon lakes areas.

This revival of the Saskatchewan diamond play is due to a number of factors that include: unfettered access to mineral dispositions; a consistent, clearly defined environmental regulatory regime; proximity to infrastructure; a re-evaluation of the diamond exploration paradigm; and, for at least one project, the resolving of technical difficulties that resulted in incomplete diamond recovery in earlier phases of the project.

Candle Lake Project

The Candle Lake joint venture (CLJV) is between Great Western Gold Corp. and War Eagle Mining Co. Inc. The parties are finalizing a purchase agreement whereby Great Western Gold will acquire an 80% interest in CLJV and will carry War Eagle's 20% interest until the completion of a bankable feasibility study.

Based on current drill hole and geophysical data, Pipe 28 is estimated to contain over 6 million tonnes of kimberlite and Pipe 29/30 in excess of 60 million tonnes of kimberlite. Both pipes are diamond bearing and neither pipe has been fully delineated by drilling. While a considerably larger sample size is necessary to reliably predict the grade of the pipes, projections based on sample results from the NQ (1.85" diameter) core drilling completed to date, show several holes averaging between 20 and 30 carats/100 t (cpht) over the entire length of the hole including intervals with projected grades as high as 136 cpht.

A 1997 mini-bulk sample was attempted on Pipe 29/30 using reverse circulation drilling. This program ran into difficulty and it took two field seasons to complete two holes. Only 7.5 t of fine material was recovered, representing less than 50% of the total theoretical weight of kimberlite in the holes. Despite this, several diamonds averaging 0.08 carats were recovered. The stones were of high quality, but the majority were fractured during drilling. Results were not encouraging enough for Kennecott Canada Exploration Inc. to justify their continued participation and they terminated their option in the project.

Great Western Gold Corp.'s management thinks that the drilling method used in obtaining the mini-bulk sample was not appropriate and failed to provide an adequate and reliable sample. The results of core drilling to date, including good indicator mineral geochemistry, a high proportion of gem quality stones, and a high macrodiamond to microdiamond ratio, suggests that the kimberlite contains a population of larger stones. The corporation therefore proposes that another mini-bulk sample be obtained using large diameter coring methods in order to recover an adequate and reliable sample with minimum diamond loss and breakage. This program is expected to begin after freezeup.

In late September, line-cutting and geophysical crews were on site to complete ground geophysical surveys in preparation for October diamond drilling on two untested kimberlite targets near the existing pipes. Ground grids covering existing kimberlite pipes 28 and 29/30 are being refurbished and extended so that untested geophysical anomalies discovered in 1995 and 1996 can be relocated.

Fort-à-la-Corne – Joint Venture

The Fort-à-la-Corne (FALC) project is a joint venture between De Beers Canada Exploration Inc. (38%), Cameco Corporation (14%), UEM Inc. (10%), and Kensington Resources Ltd. (38%). Exploration is focussed on 71 kimberlite bodies that form one of the largest kimberlite fields in the world. Geophysical modeling of the bodies has shown their areas to range from 27 to 184 ha, with estimated tonnages of 3 to 675 million tonnes. The kimberlite bodies are relatively unique in that they are dominantly pyroclastic crater-facies.

Last fall, the FALC project operator, De Beers Canada Exploration Inc. revealed that the X-ray Sortex processing used in the 1990, 1991, 1997, and 1999 programs had recovered only a portion of the macrodiamonds in the samples. Incomplete diamond recovery was attributed to low luminescent diamonds (in the presence of X-rays). This low luminescent character of some of the diamonds was identified during the 1997 and 1999 programs (Table 6) and all X-ray tailings from those programs were handpicked. Subsequently, during 1999 and 2000, a suite of the processed materials from the 1990 and 1991 programs was handpicked in De Beers facilities located in South Africa. This entailed a total of 510.88 kg of concentrate derived from 16 drill holes on five kimberlite bodies (Table 7). A total of 27 additional diamonds with a combined weight of 1.12 carats were recovered. This is an increase of 32% over the original recovery of stones.

Recently, results were released for the final evaluation of data collected during the 1999 program which comprised two large reverse circulation holes (305 mm, approx. 11.75") on each of kimberlite bodies 147 and 220. A total of 888.2 m was drilled with a combined kimberlite intersection of 475.1 m. The two drill holes on kimberlite 147 produced 37.75 t of >0.5 mm kimberlite chips from an excavated kimberlite mass of 46.3 t. The two holes from body

220 produced 25.65 t of >0.5 mm minibulk kimberlite chips from an excavated kimberlite mass of 37.9 t. Fifteen minibulk macrodiamond samples and 20 microdiamond samples were processed through De Beers facilities located in Grande Prairie, Alberta and South Africa. Table 6 presents data for macrodiamond (>1 mm) recovery from X-ray concentrate (58 stones), hand-sorting of X-ray tailings (67 low luminescent stones), and a dense media separation tailings audit (three stones). Incorporation of new macrodiamond grades with historical data indicates a weighted average sample grade of kimberlite 147 of 7.2 cpht based on testing of 72.7 t of kimberlite and 5.4 cpht for body 220 based on 67.7 t. Macrodiamond grades based on low tonnages such as these are not considered reliable, or representative of the body. Rather a combination of macrodiamond and microdiamond data are used to model exploration level grade forecasts for the body. Two packages of macrodiamonds, one recovered from X-ray concentrate (RF 126) and one of stones picked from the X-ray tailings (RF-143) were sent for commercial valuation from Dr. Luc Rombouts of Terraconsult bvba. The 61 stones in RF 126 were assigned an average value of US$12.85 per carat (value range of US$1 to US$80 per carat); the 67 stones in RF 143 had an average value of US$3.88 per carat (value range of <US$1 to US$33/carat).

Table 6 - Minibulk sample macrodiamond recovery in 1999 for the Fort-à-la-Corne joint venture.

Drill hole/ Sample	From (m)	To (m)	Minibulk Mass (t)	Stones	Carats	cpht
147-04/100	99.5	138.0	7.1581	5	0.225	3.1
147-04/101	138.0	180.0	7.3466	11	0.275	3.7
147-04/102	180.0	210.0	5.1864	16	0.455	8.8
147-04/103	210.0	232.0	3.6869	9	0.245	6.6
147-05/100	100.5	138.0	6.8167	9	0.015	2.2
147-05/101	138.0	180.0	7.3401	16	0.430	5.9
147-05/102	180.0	210.0	5.1922	9	0.400	7.7
147-05/103	210.0	231.2	3.5928	10	0.250	7.0
147 Total			**46.3198**	**85**	**2.43**	
220-03/100	104.4	138.0	6.3967	7	0.24	3.8
220-03/101	138.0	162.0	4.1868	8	0.315	7.5
220-03/102	162.0	204.0	7.3360	12	0.355	4.8
220-03/103	204.0	232.0	4.9352	0	0	0
220-04/100	107.5	138.0	5.5920	10	0.485	8.7
220-04/101	138.0	162.0	4.1882	7	0.270	6.4
220-04/102	162.0	193.0	5.2842	1	0.015	0.3
220 Total			**37.9191**	**45**	**1.68**	

Table 7 - Diamond recovery from examination of 1990-91 concentrates for the Fort-à-la-Corne joint venture.

Kimberlite Body/ Drill hole	Concentrate Weight (kg)	Original Recovery (stones)	Original Recovery (carats)	New Recovery (stones)	New Recovery (carats)
120-04	18.00	3	0.84	2	0.025
120-05	51.60	11	0.16	1	0.015
120-06	21.84	12	0.4	3	0.045
120-08	44.46	8	0.16	0	0
120-10	4.60	11	0.24	0	0
122-02	70.86	3	0.12	5	0.090
122-03	41.56	3	0.08	1	0.020
122-04	6.36	6	0.85	0	0
148-01	66.60	6	0.06	7	0.385
148-04	23.30	1	0.004	5	0.480
148-05	17.48	3	0.07	0	0
148-06	14.60	6	0.19	0	0
148-07	15.20	2	0.02	1	0.010
150-01	20.68	7	0.63	1	0.040
169-04	57.64	1	0.08	1	0.010
169-05	36.10	1	0.08	0	0
Total	**510.88**	**84**	**3.984**	**27**	**1.12**

Microdiamond data from the new holes was also submitted to Dr. Rombouts to upgrade the database used for extrapolated macrodiamond grade forecasts. Based on a total recovery of 559 stones from 292 kg of sample from kimberlite 147, Rombouts indicated a projected grade of 6.2 cpht for complete liberation of stones down to 1 mm or approximately 0.01 carat size. A 42 m thick zone in kimberlite 147 gave an optimistic grade forecast of 12.8 cpht. Rombouts overall grade forecast for 147 is lower than the grade estimate of 15 cpht by De Beers.

For kimberlite 220 a new grade extrapolation was based on 342 microdiamonds recovered from 319.3 kg of sample material. Rombouts projected a macrodiamond grade of 11.9 cpht for complete liberation of stones down to 1 mm or ~0.01 carat size; however, two zones, each approximately 35 m thick gave grades of 18.4 and 18.6 cpht. All of these values are less than the 25.25 cpht estimated by Rombouts in 1997 based on 226 microdiamonds. Rombouts

overall grade forecast for 220 is higher than the grade estimate of 7 cpht by De Beers.

In the early fall of 2000, a $2.26 million mini-bulk sampling drilling program was undertaken on kimberlite bodies 122 and 141. This program was initiated following a re-evaluation of the entire joint venture holdings at FALC by De Beer's diamond specialists.

Body 122 covers an estimated area of 108 ha and embodies a mass determined by geophysical modeling of 540 million tonnes of kimberlite within margins based on less than a 30 m thickness cutoff. Stone size modeling of historical results indicates a coarse-size frequency distribution for this body. This modeling suggests body 122 is one of the highest priorities of the FALC kimberlites.

Body 141 has an estimated area of 106.8 ha and volume of 395 million tonnes based on the less than 30 m thickness cut off which excludes the tapered edge of the kimberlite. Microdiamond analysis affirmed a high potential for the recovery of commercial-sized stones from this body.

Three large diameter reverse circulation drill holes (24") were completed on kimberlite 122 and two on kimberlite 141. Over 500 t of kimberlite was sampled with some 300 t of kimberlite greater than 1 mm in size retained for processing at a dense media separation plant operated by De Beers in Grand Prairie, Alberta. The intent of this ambitious program is to obtain 40 to 50 carats of diamond from two kimberlites for stone valuation and initial revenue modeling.

Fort-à-la-Corne – Star Kimberlite Project

Shore Gold Inc.'s Star Kimberlite is located at the southeast end of the FALC kimberlite field. This kimberlite consists of a variety of primary, volcaniclastic crater facies rocks covering an area of more than two square kilometres and varying from 30 to almost 150 m in thickness. Preliminary estimates of continuous diamond-bearing kimberlite exceed 200 million tonnes as determined by drill holes and geophysical modeling.

The first phase of Shore Gold's 2000 drill program included 15 NQ (diameter 1.875") holes and one PQ (diameter 3.35") hole that intersected kimberlite over intervals ranging from 30 m in hole 011 to 145 m in hole 007, including intra-kimberlite sediments. Intervals of continuous kimberlite ranged from 5 m in hole 011 to 128 m in hole 009. Results demonstrate the widespread occurrence of diamonds within the Star Kimberlite. Preliminary caustic dissolution analyses have now been reported for a total of 1239.5 kg of split core from 12 of the NQ holes (Table 8). This yielded 0.303 carats of diamonds, equivalent to a grade of 24 cpht.

The caustic dissolution analyses were completed by Kennecott Canada Inc.'s ISO Guide 25 Process

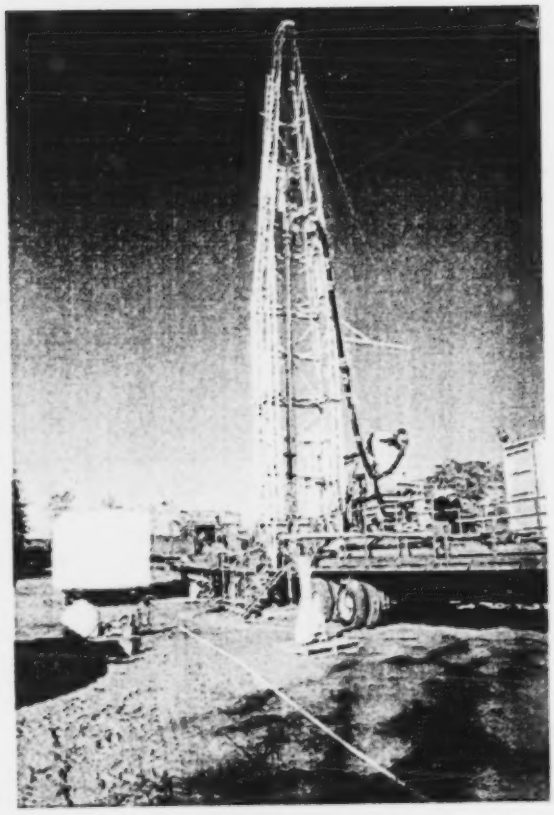

Figure 5 - Large diameter (24") reverse circulation drill rig set up on the Fort-à-la-Corne joint venture's 122 kimberlite body.

Registered Thunder Bay Laboratory using a diamond recovery sieve size of 150 microns (100 mesh). The samples, averaging 8 kg, were from split drill core intervals with half the core still available for further testing.

Table 8 presents the published analytical results from the 2000 program to January 9, 2001. Shore Gold described the most striking feature of these results as the high-macrodiamond content per kilogram of sample and the presence of potentially high-grade sections within the Star Kimberlite body. Logging and diamond analysis of the entire PQ size core hole drilled near holes 004, 007, and 009 is also being carried out.

Given the highly encouraging results to date, the company proceeded with a second phase, 2000 drill program to further delineate the dimensions of the kimberlite and select the most appropriate site for a large tonnage sample. This program comprised a further seven NQ-sized diamond drill holes. Of particular interest was the fourth hole, Star 020, which intersected 539.4 m of kimberlite and was terminated tentatively in kimberlite at a depth of 627 m. This intersection, interpreted to be of a feeder zone, is reported to be the thickest intersection of kimberlite

Table 8 - Shore Gold Inc. preliminary caustic dissolution diamond analyses from fifteen 2000 NQ holes.

Hole No.	Sampled Weight (kg)	Sampled Interval (m)*	No. of Micros <0.5 mm	No. of Macros >0.5 mm	Total Diamonds	Projected Weighted Average Grade (cpht)
001	97.3	54.7	16	4	20	56
including		25.0				118
002	61.2	35.7	11	9	20	131
including		21.1				147
and		15.7				284
003	75.4	49.6	6	3	9	9
including		35.3				12
and		19.4				17
004	175.9	139.6	21	6	27	11
including		23.6				52
005	54.2	31.2	12	7	19	88
including		15.1				178
006	73.3	50.4	15	3	18	11
including		38.1				13
and		17.4				24
007	174.2	136.1	29	5	34	10
including		69.8				17
008	92.6	54.1	17	2	19	24
including		24.8				47
009	194.0	130.6	35	9	44	35
including		72.0				61
and		51.4				82
and		31.1				133
010	80.8	55.6	13	4	17	14
including		34.6				18
and		13.4				30
011	21.5	14.9	4	1	5	19
including		5.2				49
012	44.4	26.1	17	8	25	37
including		22.7				42
and		9.0				90
013	91.8	58.4	8	3	11	13
including		34.0				22
and		13.5				31
014	101.2	76.5	7	2	9	4
including		16.5				11
015	156.7	97.6	37	6	43	24
including		58.4				28
and		35.8				53
TOTAL/ AVERAGE (15 holes to date)	**1,494.5**	**1,018.3**	**244**	**76**	**320**	**27**

* The lesser subintervals reported may be contained within the larger subintervals and are meant to illustrate the potential for the occurrence of high-grade sections within the Star Kimberlite body.

ever drilled in Saskatchewan. Additional follow-up drilling is planned.

Fort-à-la-Corne – Other Companies

Shane Resources Ltd. has approximately 93 100 ha in the FALC and White Gull areas of Saskatchewan. Included in this total are 14 160 ha on which the company has an agreement with the James Smith Cree Nation to earn a 100% interest. Shane Resources examined 17 airborne anomalies west of the Narrow Hills Provincial Park with ground geophysics conducted over four of the highest priority targets. One target was drill tested in this area. The company flew a 2000-line-kilometre airborne geophysical survey and completed ground follow up on its FALC properties. Two holes were drilled in this area. The company has also negotiated a farm-in agreement with United Carina Resources Corp. and Consolidated Pine Channel Gold whereby Shane can earn a 50% interest in several targets in the Smeaton area. Consolidated Pine Channel Gold Corp. and United Carina Resources Corp. acquired about 4700 ha in 73H in 2000. After a lengthy review of both published and unpublished historical work, airborne and ground geophysical programs were carried. In December 2000, the companies reported they had completed four HQ holes totalling 713 m on the Smeaton project. The three holes that intersected bedrock were reported to have intersected several metres of subaqueous fragmental and reworked kimberlite intercalated in fine-grained sediments. This work included a high-resolution aeromagnetic survey on 24 280 ha and a gravity survey on a 1133 ha property just north of Smeaton. High-resolution aeromagnetic survey flying was also completed on the "Diamond Lady" block of claims adjoining the FALC joint venture and Star Kimberlite project. Diamond drilling is planned here after analysis of the completed airborne survey and detailed ground surveys. Also in December 2000, the companies reported they had optioned additional ground immediately west of and adjoining kimberlite 122 on the FALC joint venture property.

LEONARDITE

Leonardite is a relatively rare, soft earthy brown or black naturally oxidized form of lignite with a high humic and fulvic acid content, occurring on or near the surface, and is used primarily for agricultural/ horticultural applications, fertilizer formulations, and to a lesser extent for rehabilitation of contaminated soils, in drilling muds, and various other applications. It is used both in its natural state as well as a raw material from which to extract humic and fulvic acids.

Wapaw Bay Resources Inc. is exploring for a commercial deposit of leonardite at Wapawekka Lake. Wapaw Bay has identified a number of seams of high-grade ore at 2 to 5 m from the surface, and analyzing at 81.5% to 85.67% organic acids, equal to the highest grade worldwide. Exploration plans for winter of 2000-01 consist of a number of test holes to a depth of approximately 15 m.

SILICA SAND

In the fall of 2000, Daren Industries Ltd.'s wholly-owned subsidiary corporation, Hanson Lake Sand Corp., excavated and stockpiled over 5,000 tons of silica sand from their Hanson Lake quarry site. Although operations of the washing and sizing circuits had been established, the onset of cold temperatures forced a suspension of operations. Initial excavation of the quarry revealed a 5.5 m thick interval of clean white silica sand. Lease Y7549, the site of the quarry, is estimated to contain 4,200,000 tons of sand suitable for sale to the oil and gas industry as a frac sand. The company is developing a distribution network.

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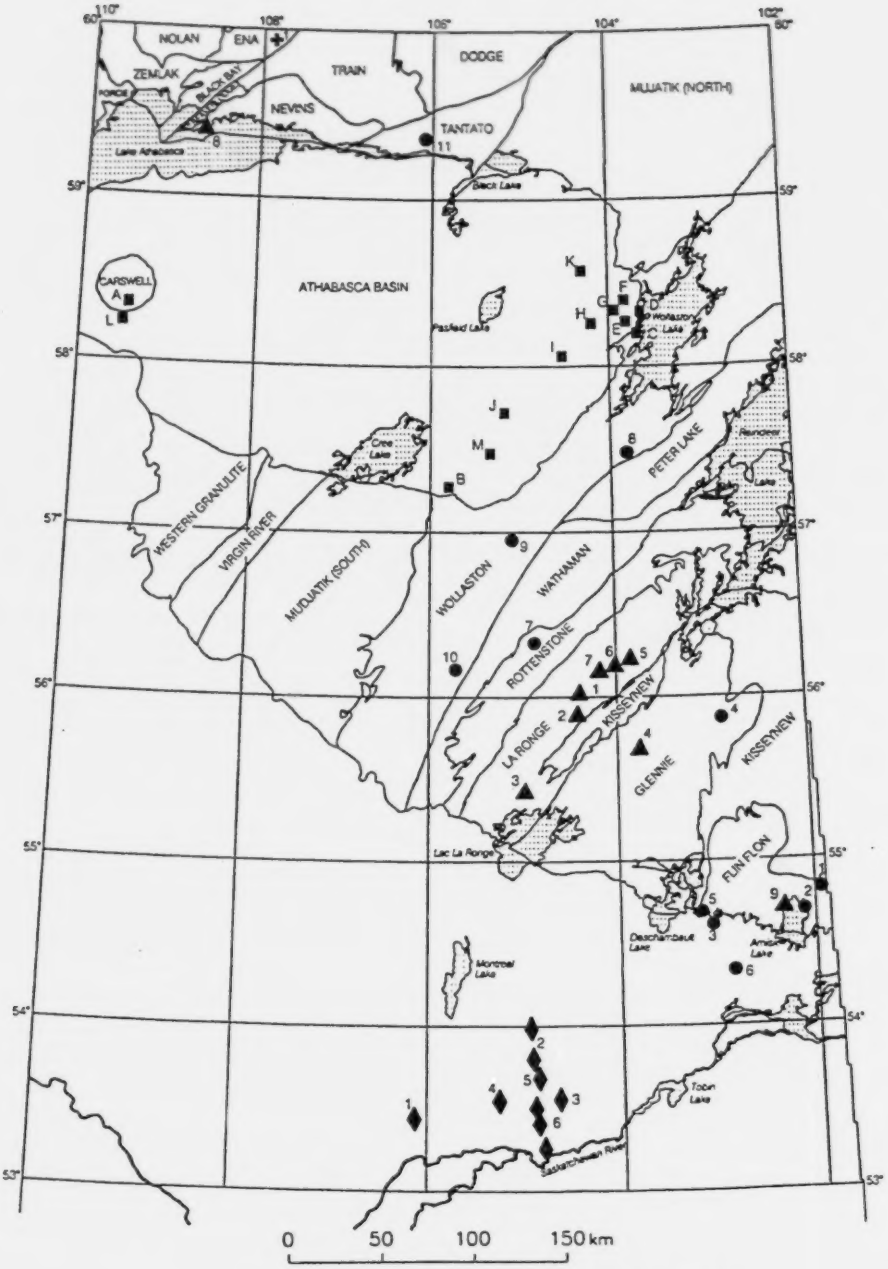

MINERAL DEPOSITS AND EXPLORATION AREAS

Uranium *(■): (A) Cluff Lake, (B) Key Lake, (C) Rabbit Lake, (D) Collins Bay–Eagle Point, (E) McClean Lake, Sue Trend, (F) McClean Lake, Jeb, (G) Dawn Lake, (H) Midwest, (I) Cigar Lake, (J) McArthur River, P2 North, (K) La Rocque Lake, (L) Shea Creek, and (M) Moore Lakes.*

Gold *(▲): (1) Jolu and Star Lake mines, (2) Jasper mine, (3) Contact Lake mine, (4) Seabee mine, (5) Golden Heart deposit, (6) Komis mine, (7) Tower East deposit and Memorial showing, (8) Box and Athona mines, and (9) Laural Lake deposit and Prince Albert–Monarch mine.*

Base Metals *(●): (1) Flin Flon and Callinan mines, (2) Konuto Lake, (3) McIlvenna Bay deposit, (4) Knife Lake deposit, (5) Western Nuclear mine, (6) Suggi-Windy lakes, (7) Rottenstone mine, (8) George and Spence lakes, (9) Janice Lake, (10) Sito Lake, and (11) Currie-Axis lakes.*

Kimberlites *(♦): (1) Sturgeon Lake, (2) Candle Lake, (3) Snowden, (4) Foxford, (5) Jacquine Lake, and (6) Fort-à-la-Corne including Star Kimberlite.*

Other *(+): (1) Hoidas Lake (REE).*

SASKATCHEWAN MINERAL PROPERTIES AVAILABLE FOR OPTION AND/OR JOINT VENTURE

Gold and Silver Properties

Name	Disposition Number	NTS Block & Domain	Commodity	Tonnage (t)	Grade	Assays	Mineralization Type	Contact
Amisk Lake	S- 99730	63L-9 Flin Flon	Au			Soil anomaly >1000 ppb Au	Shear zone with pyrite, arsenopyrite and native Au	Angell's Resources Ltd. Gerry Angell (306) 362-2112
Dianne Lake	S-104978	74N-10 Black Bay close to its contact with Zemlak	Ag-Cu-Ni-Co			Grab sample High-grade Ag; Ni 12,603 ppm; Cu 3819 ppm; and Co 3445 ppm	Polymetallic high-grade silver carbonate veins	Norac Exploration Ltd. Rod Dubnick (306) 425-3214
Dickens Lake Greywacke	CBS 8911 CBS 6930 S-101079 S- 99911 S-101254 S-101476 S-101817 S-101818	73P-15 MacLean	Au	297 710	9.2 g/t	1.27 g/t Au over 0.5 m; 32 g/t over 7.5 m	Disseminated gold in clastic metasedimentary rocks	Cameco Corporation Dave Thomas (306) 956-6439
Gem Extension	S-103088 S-103095		Au			9.49 g/t over 1 m	Sediment-hosted Au (argillite)	Kristo Gold Inc. Rod Spooner (306) 425-2828
Nirdac Creek	CBS 7761	64M-13 Ennadai	Au			Drill hole: 0.401 oz/t Au over 1.5 m, 0.27 oz/t Au over 2.5 m. Bulk sample 350 m up-ice from drilling: 11.97 oz/t Au	Iron formation-hosted gold	Highrock Contracting Rod Spooner (306) 425-2828
Phantom Lake Property	CBS 3194	63K-12 Flin Flon	Au			Chip sample 93.0 g/t Au over 3.0 m	Shear-hosted quartz veining	Ray-Dor Resources Richard Murray (204) 687-4905
Tansi (Stanley Road)	S-106017 S-106019 S-106278	73P-7 La Ronge	Au			First area assays up to 3.59 g/t Au; second area up to 4.69 g/t Au	Two areas of sheared contorted from formation; first area Po>Cp>Sf	Consolidated Pine Channel Gold Corp. 1-800-661-4050
Upises Lake	S-106151	73P-7 La Ronge	Au			Grab sample 6 oz/t Au Historical assay of 0.2 to 11.0 oz/t Au	Shear-hosted quartz vein	Highrock Contracting Rod Spooner (306) 425-2828
Wildnest Property	CBS 3245	63M-1 Kisseynew	Au-Zn-Pb	660 000	3.5 g/t Au		Silicified shear zone in gneiss	Ray-Dor Resources Richard Murray (204) 887-4905
Wedge Lake	S-105628 S-105629	64D-4 La Ronge	Au	600 000	0.15 oz/ton Au	Drill hole 0.415 oz/ton Au over 26.6 m and 0.288 oz/ton Au over 5.4 m	Stratabound gold mineralization and cross-cutting gold mineralized quartz veins	Northern Star Res. Inc. Randy Studer (306) 425-3350

Uranium Properties

Name	Disposition Number	NTS Block & Domain	Commodity	Tonnage (t)	Grade	Assays	Mineralization Type	Contact
Diabase Peninsula-Cree Lake	S-106610	74G-7 and -10 Athabasca/Virgin River, Mudjatik	U			Anomalous boulder train EM conductor chlor-ill-kaol-drav. alteration	Unconformity-type	Argonaut Res. Ltd. L. Clark (604) 533-0022
Spring Point	S- 9909	74N-5 Athabasca/ Forcie	Ni-Cu-Co			Drill results within sandstone. Up to 2.99% Co and 1.7% Ni. Also close to the unconformity 440 ppm U over 1.3 m	Unconformity-type mineralization alteration in sandstone and basement	Norac Exploration Ltd. Rod Dubnick (306) 425-3214

Diamond Properties

Name	Disposition Number	NTS Block & Domain	Commodity	Tonnage (t)	Grade	Assays	Mineralization Type	Contact
UCA-KPC	Approximately 250 claims	73H	Diamond			Pending	Magmatic (kimberlite)	United Carina Res. Corp. (604) 684-5118 or 1-800-661-4050

Nickel, Copper, Cobalt, and Platinum Properties

Name	Disposition Number	NTS Block & Domain	Commodity	Tonnage (t)	Grade	Assays	Mineralization Type	Contact
Axis Lake	S-103569	74P-5 Tantato	Ni-Cu-Co	3 402 000	0.6% Ni 0.6% Cu 0.15% Co		Differentiated mafic (norite) intrusion	Consolidated Pine Channel Gold Corp. 1-800-661-4050
Currie Lake	S-103567	74O-8 Tantato	Ni-Cu-Co	47 537	0.79% Ni	1.17% Ni and 0.30% Cu over 2.0 m	Differentiated mafic (norite) intrusion	Consolidated Pine Channel Gold Corp. 1-800-661-4050
Howard Lake	ML 5180	73P-5 La Ronge	Ni-Cu-Co-Pt-Au			2.44% Ni, 0.49% Cu, and 0.09% Co over 20 ft 250 ppb Pt	Differentiated mafic intrusion	Walter Shupe (306) 425-2182
Rea Lake	S-103569	74P-5 Tantato	Ni-Cu-Co	63 867 000	0.1% Ni 0.1% Cu		Differentiated mafic (norite) intrusion	Consolidated Pine Channel Gold Corp. 1-800-661-4050

Base Metal Properties

Name	Disposition Number	NTS Block & Domain	Commodity	Tonnage (t)	Grade	Assays	Mineralization Type	Contact
Anglo-Rouyn	S-106194 S-106195 S-106197	73P La Ronge	Cu-Au	2 000 000	2% Cu 0.035 oz/t Au 0.07 oz/t Ag		Sediment-hosted	Kristo Gold Inc. Rod Spooner (306) 425-2828
Bomber Lake	S-98861	63K-12-NW	Cu-Au-Zn-Ag	Smelted (1968) 28 t	12.4% Cu 2.4 oz/t Ag 0.45 oz/t Au	Yes	Volcanic Massive Sulphide	Mid-North Resources Rob Dunlop (403) 283-3619
Brabant/Peg/ McKenzie	ML 5054	64D-4 La Ronge	Zn-Cu-Pb	4 860 000	5.19% Zn 0.57% Cu 0.28% Pb 22.6 g/t Ag 0.22 g/t Au		Sediment-hosted stratiform base metal deposit	Boart Longyear Inc. Bob Fleming 1-800-461-7333
Complusion River	S-101742 to S-101749 S-101471 S-101472 S-104828 CBS 7829 CBS 7830	64E-12 Wollaston	Pb-Zn			Over 45 m anomalous Zn in several drill holes. A 0.5 x 7 km till geochem anomaly	Sedex	Far West Mining Ltd. Pat Varas (604) 602-9144
Dianne Lake	S-106116	74N-10-NW Black Bay close to its contact with Zemlak	Cu Minor Ag			53% of samples taken assaysed >0.5% Cu. Assays reached 9.3% Cu. Ag generally <1 oz/ton	Chalcopyrite and bornite in quartzo-feldspathic biotitic gneisses	Consolidated Pine Channel Gold Corp. 1-800-661-4050
Foster River	S-106402 S-106403 S-106404	74A-4 and -5 Wollaston	Zn-Pb	50 000	4.5% Zn	Drill hole 7.6% Zn over 8.4 m, 1.93% Zn over 39.9 m, 5.60% Zn over 5.8 m, 2.84% Zn over 17 m, 2.54% Zn over 16 m	Sediment-hosted base metal deposit	Arc Metals Ed Sawitzky (204) 687-8141
George Lake Zinc-Lead Deposit	S-105411 S-105412 S-105626	64E-5 Wollaston	Zn-Pb	13 368 249	2.76% Zn 0.36% Pb		Sediment-hosted base metal deposit	Northern Star Res. Inc. Randy Studer (306) 425-3350

Platinum Group Element Properties

Name	Disposition Number	NTS Block & Domain	Commodity	Tonnage (t)	Grade	Assays	Mineralization Type	Contact
Olmac	S-106240 S-106515		Pt-Pd			Boulder Occurrence 325 ppb Pt and 217 ppb Pd	Magmatic (clinopyroxenite)	Reindeer Syndicate Rob Dubnick/Rod Spooner (306) 425-2828